

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

Buildings and Facilities

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National Institutes of Health

BUILDINGS AND FACILITIES

For the study of, construction or demolition of, renovation of, and acquisition of equipment for, facilities of or used by NIH, including the acquisition of real property, **【\$128,663,000】** *\$128,663,000*, to remain available until **【September 30, 2018】** *expended* **【**,of which up to \$7,000,000 may be used for demolition**】**.

NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities

Amounts Available for Obligation ¹
(Dollars in Thousands)

Source of Funding	FY 2013 Actual ²	FY 2014 Enacted	FY 2015 President's Budget
Appropriation	\$125,344	\$128,663	\$128,663
Rescission	-251	\$0	\$0
Sequestration	-6291	\$0	\$0
Supplemental	\$0	\$0	\$0
Subtotal, adjusted appropriation	\$118,802	\$128,663	\$128,663
FY 2013 Secretary's Transfer	(693)	0	0
Recovery of prior year obligations	2,504	0	0
Unobligated balance, start of year	20,277	26,264	
Subtotal, adjusted budget authority	\$140,890	\$154,927	\$128,663
Total Obligation	\$114,625	\$154,927	\$128,663
Unobligated balance, end of year	\$26,264.25	\$0	\$0
Unobligated balance lapsing	\$0	\$0	\$0

¹ Excludes the following amounts for reimbursable activities carried out by this account:
FY 2013 - \$0 FY 2014 - \$2,500 FY 2015 - \$2,500

² This display aggregates the X-year account and five year accounts created in FY 2012 and FY2013.

Major Changes in the Fiscal Year 2015 President's Budget Request

Major changes by budget activity are briefly described below. The FY 2015 Buildings and Facilities (B&F) President's Budget request is the same as the FY 2014 level, for a total of \$128.663 million.

Repairs and Improvements (\$45.363 million):

The NIH-wide Repairs and Improvements (R&I) program goal is to sustain efficient and effective facility performance throughout the life cycle of facilities. NIH develops annual program investment levels to help ensure that the full service life of its facilities and components. This requested funding level supports NIH's efforts to maintain research requirements. The proposed decrease in funding reflects the priority status of the project to expand chilled water capacity within the main Bethesda campus.

New Construction (\$83.300 million):

Assure/Expand Chilled Water Capacity on the Bethesda Campus. The FY 2015 Budget includes \$78.21 million as a one-time expense to expand the chilled water capacity on the NIH Bethesda Campus in order to improve the reliability of this critical campus-wide utility for cooling. While this represents a year delay from earlier plans, the justification for this project remains critical; as an example, during the Derecho event of 2012, NIH operated its chillers near full capacity in order to maintain patient and animal safety. In 2013, a PEPCO electrical issue caused several chillers to trip off line, creating a dangerous cascading effect. This project will dramatically drive down such risks, assuring that the NIH Central Utility Plant provides chilled water to protect patients, animals, and valuable biomedical specimens.

In FY 2015, NIH plans to design the renovation of the G-wing in Building 10 located on the Bethesda Campus. The G Wing project involves the complete renovation of floors 2 thru 10 (approximately 73,000 Gross Square Feet) including demolition and replacement of all interior components and refurbishment of the exterior brick facade and roof including new windows. Although many hospital accreditation issues were resolved through the construction of the CRC, NIH identified a significant short fall of clinical office space for Institutional Review Board staff, Protocol Service Center staff, and physicians and nurses who conduct clinical research protocols. This space is necessary to support review of protocols and protect the confidentiality of patient records and information related to human subjects. NIH is requesting funding for G-Wing design only in FY 2015.

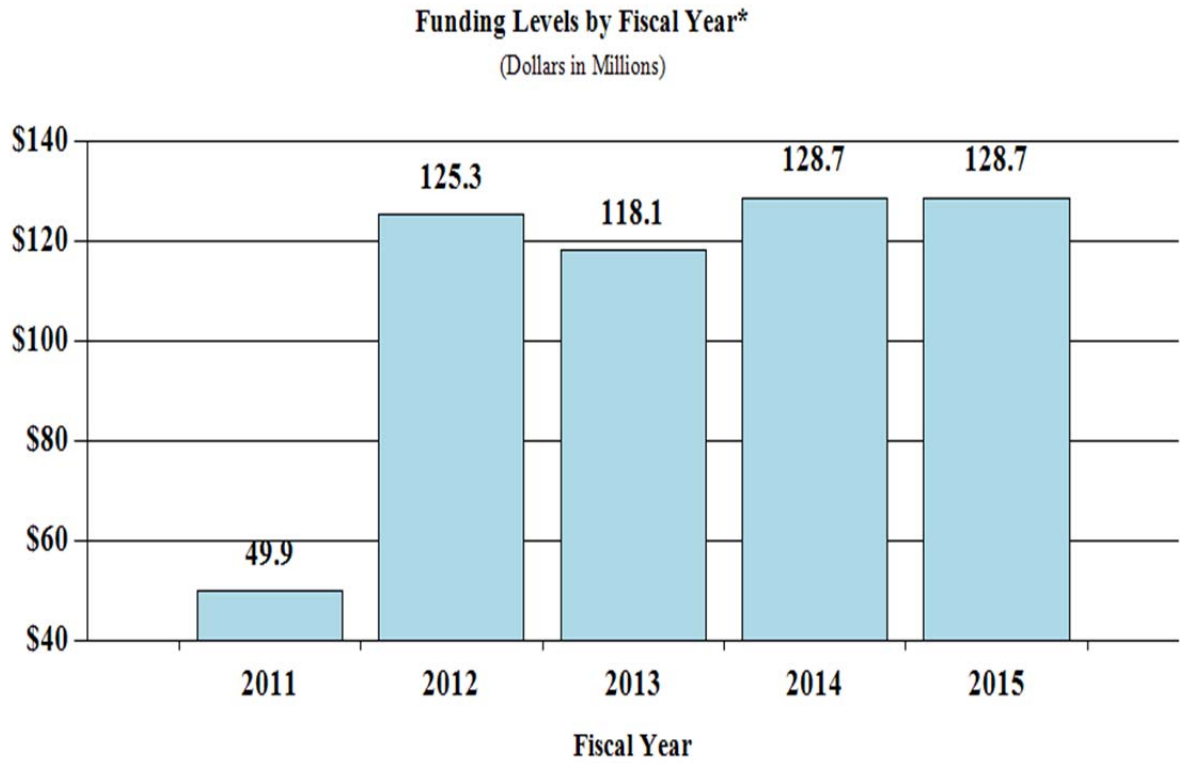
**National Institutes of Health
Buildings and Facilities**

**Summary of Changes
(Dollars in Thousands)**

FY 2014 Enacted			\$128,663
FY 2015 President's Budget			\$128,663
Net change			0
	FY 2014	FY 2015	FY 2015 +/- FY 2014
<u>Increases:</u>			
<u>A. Program:</u>			
1. Assure/Expand Chilled Water Capacity, Bethesda	\$0	\$78,210	\$78,210
2. Renovation of Building 10 G-Wing, Bethesda Campus	0	4,090	4,090
3. Concept Development Studies	0	1,000	1,000
Total Increases			\$83,300
<u>Decreases:</u>			
<u>A. Program:</u>			
1. Repairs & Improvements	\$100,033	\$45,363	(54,670)
2. Renovation of Building 10 E Wing, Bethesda Campus	21,430	0	(21,430)
3. Demolition of Building 7, Bethesda Campus	3,050	0	(3,050)
4. Demolition of Building 9, Bethesda Campus	2,900	0	(2,900)
5. Research Triangle Park Site Utility Loop, RTP Campus	1,250	0	(1,250)
Total Decreases			-\$83,300

NATIONAL INSTITUTES OF HEALTH

Buildings and Facilities



**National Institutes of Health
Buildings and Facilities**

Budget Authority by Program
(Dollars in Thousands)

Project	FY 2013 Actual ¹	FY 2014 Enacted	FY 2015 President's Budget	FY 2015 +/- FY 2014
<u>Essential Safety & Regulatory Compliance:</u>				
Fire Protection & Life Safety Program	\$5,000	\$0	\$0	\$0
Environmental Assessments / Remediations	3,450	0	0	0
Rehabilitation of Animal Research Facilities	5,000	0	0	0
Physical Security Improvements	1,800	0	0	0
Sustainability Program	1,000	0	0	0
<u>New Construction:</u>				
Assure/Expand Chilled Water Capacity, Bethesda	6,350	0	78,210	78,210
Renovation of Building 10 G-Wing, Bethesda Campus	0	0	4,090	4,090
Building 29A Renovation, Bethesda, Md	0	0	0	0
Concept Development Studies	1,000	0	1,000	1,000
Renovation of Building 10 E Wing, Bethesda Campus	0	21,430	0	-21,430
Demolition of Building 7, Bethesda Campus	0	3,050	0	-3,050
Demolition of Building 9, Bethesda Campus	0	2,900	0	-2,900
Emergency Power Generation to Assure Chilled Water, Bethesda Campus (design)	0	0	0	0
Northwest Child Care Center		0		0
Research Triangle Park Site Utility Loop, RTP Campus	0	1,250	0	-1,250
Repairs & Improvements	94,509	100,033	45,363	54,670
Total budget authority	\$118,109	\$128,663	\$128,663	\$0
Unobligated balance, start of year	\$20,277	\$26,264	\$0	-\$26,264
Unobligated balance, end of year	-\$26,264	\$0	\$0	\$0
Total obligations ¹	\$96,706	\$154,927	\$128,663	-\$26,264

¹ Obligations are net of prior year recoveries

Buildings and Facilities includes funds only appropriated to this account. Some Institutes and Centers also budget for facilities renovations and associated construction costs in other operating mechanisms, which are not reflected in this table. The HHS Facilities Manual provides specific guidelines for use of operating funds.

**NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities**

Authorizing Legislation

	PHS Act/ Other Citation	U.S. Code Citation	2014 Amount Authorized	FY 2014 Enacted	2015 Amount Authorized	FY 2015 President's Budget
Research and Investigation	Section 301	42§241	Indefinite	\$128,663,000	Indefinite	\$128,663,000
Buildings and Facilities	Section 401(a)	42§281	Indefinite		Indefinite	
Total, Budget Authority				\$128,663,000		\$128,663,000

NATIONAL INSTITUTES OF HEALTH
Buildings and Facilities

Appropriations History

Fiscal Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2005 Rescission	\$99,500,000	\$99,500,000	\$114,500,000	\$111,177,000 (\$889,000)
2006 Rescission	\$81,900,000	\$81,900,000	\$113,626,000	\$81,900,000 (\$819,000)
Transfer				(\$55,700) ¹
Transfer				\$4,480,000 ²
2007 Rescission	\$81,081,000	\$81,081,000	\$81,081,000	\$81,081,000 \$0
Transfer				\$2,500,000 ³
2008 Rescission	\$136,000,000	\$121,081,000	\$121,081,000	\$121,081,000 (\$2,115,000)
2009 Rescission	\$125,581,000	\$125,581,000	\$146,581,000	\$125,581,000 \$0
2010 Rescission	\$125,581,000	\$125,581,000	\$100,000,000	\$100,000,000 \$0
2011 Rescission	\$125,581,000	-	\$125,420,000	\$50,000,000 (\$100,000)
2012 Rescission	\$125,581,000	\$125,581,000	\$125,581,000	\$125,581,000 (\$237,348)
2013 Rescission Sequestration	\$125,308,000	-	\$125,308,000	\$125,343,652 (\$250,687) (\$6,291,389)
2014 Rescission	\$126,111,000	-	\$125,308,000	\$128,663,000 \$0
2015	\$128,663,000			

¹ Reflects HHS Secretary's transfer of \$55,700,000 to the Centers for Medicare and Medicaid Services.

² Reflects NIH Director's transfer of \$4,480,000 from the NIEHS appropriation for the Clinical Research Unit.

³ Reflects NIH Director's transfer of \$2,500,000 from NIAID appropriation for the Modular Animal Vivarium Facility.

Justification of Budget Request

Buildings and Facilities

Authorizing Legislation: Section 301 and title IV of the Public Health Services Act, as amended.

Budget Authority:

	<u>FY 2013 Actual</u>	<u>FY 2014 Enacted</u>	<u>FY 2015 President's Budget</u>	<u>FY 2015 +/- FY 2014</u>
BA	\$118,108,550	\$128,663,000	\$128,663,000	\$0
Total Obligations	\$114,625,000	\$154,927,000	\$128,663,000	-\$26,264,000

Director's Overview

Facilities are a key element in the success of the NIH mission. State-of-the-art research requires state-of-the-art facilities that are safe and in compliance with all laws and regulations. The NIH strives to balance new facilities needed to support the study of emerging health threats and leverage innovative research opportunities with the need to remain responsible stewards of the existing research facilities. The functions of these buildings range from administrative support to one of the largest government owned utility generation and distribution systems in the country, and from a 240 bed research hospital to biosafety level 3 (BSL3) and biosafety level 4 (BSL4) "high containment" facilities.

The Repair & Improvement (R&I) program, a major component of the Buildings & Facilities (B&F) appropriation, has the most significant impact on the condition of existing NIH facilities. The R&I program's goal is to maintain and improve the performance of existing facilities throughout their life cycle.

As responsible stewards, part of NIH's strategy is to sustain the condition of existing facilities to prevent deterioration and the curtailment of research, while raising the average Condition Index (CI), which is a function of the ratio of the cost of needed repairs to the replacement value at a specific point in time, to 90 or greater.

Table 1 is a summary of the funding for B&F from FY 2005 through FY 2015.

Table 1 - Summary of B&F Funding by Program Activity FY 2005 through FY 2015

Year	Construction	Essential Safety	Physical Security	Repairs and	Renovations	Equipment/	Total
FY 2005	\$28,059,000	\$6,000,000	\$ -	\$58,429,000	\$10,800,000	\$7,000,000	\$110,288,000
FY 2006	\$5,180,000	\$13,944,300	\$ -	\$66,381,000	\$ -	\$ -	\$85,505,300
FY 2007	\$3,200,000	\$14,500,000	\$ -	\$65,881,000	\$ -	\$ -	\$83,581,000
FY 2008	\$30,500,000	\$15,500,000	\$ -	\$72,966,000	\$ -	\$ -	\$118,966,000
FY 2009	\$61,500,000	\$17,500,000	\$ -	\$46,581,000	\$ -	\$ -	\$125,581,000
FY 2009 ARRA	\$428,000,000	\$ -	\$ -	\$72,000,000	\$ -	\$ -	\$500,000,000
FY 2010	\$16,000,000	\$16,000,000	\$ -	\$68,000,000	\$ -	\$ -	\$100,000,000
FY 2011	\$0	\$1,127,000	\$ -	\$48,773,000	\$ -	\$ -	\$49,900,000
FY 2012	\$10,400,000	\$16,000,000	\$ -	\$98,908,000	\$ -	\$ -	\$125,308,000
FY 2013	\$7,350,000	\$16,250,000	\$ -	\$94,509,000	\$ -	\$ -	\$118,109,000
FY 2014	\$28,630,000	\$0	\$ -	\$100,033,000	\$ -	\$ -	\$128,663,000
FY 2015	\$83,300,000	\$0	\$ -	\$45,363,000	\$ -	\$ -	\$128,663,000

Overall Budget Policy:

The FY 2015 President's Budget request is \$128.663 million, which is the same as the FY 2014 Enacted level. This request provides funds for specific projects in two program areas:

Construction and Repairs and Improvements. These programs and projects will help NIH fulfill its continuing commitment to sustain its facilities and improve the overall Condition Index (CI).

Table 2 - Summary of FY 2015 Request

Year	Construction	Essential Safety	Physical Security	Repairs and	Renovations	Equipment/	Total
FY 2015	\$ 83,300,000	-	-	\$ 45,363,000	-	-	\$ 128,663,000

Program Descriptions and Accomplishments

The B&F FY 2015 budget request funds NIH's multiple research infrastructure priorities. Rapid advances in the understanding of basic biology and the complexity of human disease present unique research challenges. To address these challenges, we must upgrade our facilities to integrate new research tools that could accelerate the pace of research discoveries. The proposed construction, renovations, and improvements will help create and sustain a robust, modern, safe, and secure physical infrastructure for the NIH research agenda and maintain the vitality and competitiveness of the NIH biomedical research enterprise.

The Budget request provides funds for Construction, Essential Safety and Regulatory Compliance, and Repairs and Improvements, within the context of a five-year plan. R&I funds will be used for any required Concept Development Studies or Essential Safety and Regulatory Compliance Program efforts in FY 2015. NIH has studied the use of Essential Safety and Regulatory and Concept Development Studies funds and concluded that it is more cost effective and efficient to make these repairs in conjunction with larger projects.

The following programs and projects are included in the B&F tables and are described in detail below:

Construction Program: Planning, design, and construction of new research and research support facilities for on-going and new scientific initiatives:

- Concept Development Studies
- Assure/Expand Chilled Water Capacity
- Renovation of Building 10 G-Wing

Budget Policy:

The FY 2015 President's Budget request is \$83.300 million, an increase of \$54.670 million over the FY 2014 Enacted level.

Concept Development Studies: The request for Concept Development Studies will fund pre-project planning activities to define the scope, cost, and life cycle benefits of projects before NIH initiates formal requests for design and construction funds. The concept development studies are the tools that ORF uses to provide accurate budget estimates for large construction and repair projects. This approach informs and enhances the HHS-wide B&F priority-setting process and expedites project design.

Budget Policy:

The FY 2015 President's Budget request is \$1.000 million, an increase of \$1.000 million over the FY2014 Enacted level.

Assure/Expand Chilled Water Capacity: The FY 2015 President's Budget request includes \$78.21 million to assure/expand chilled water capacity on the Bethesda Campus in order to improve the reliability of this critical campus-wide utility for cooling. While this represents a year delay from earlier plans, the justification for this project remains critical; as an example, during the Derecho event of 2012, NIH operated its chillers near full capacity in order to maintain patient and animal safety. In 2013, a PEPCO electrical issue caused several chillers to trip off line, creating a dangerous cascading effect. This project will dramatically drive down such risks, assuring that the NIH Central Utility Plant provides chilled water to protect patients, animals, and valuable biomedical specimens.

Budget Policy:

The FY 2015 President's Budget request is \$78.210 million.

Renovation of Building 10 G-Wing: The FY 2015 President's Budget request includes funds to design the renovation of the G-wing in Building 10 located on the Bethesda Campus. The G Wing project involves the complete renovation of floors 2 thru 10 (approximately 73,000 Gross Square Feet) including demolition and replacement of all interior components and refurbishment of the exterior brick facade and roof including new windows. Although many hospital accreditation issues were resolved through the construction of the CRC, NIH identified a significant short fall of clinical office space for Institutional Review Board staff, Protocol Service Center staff, and physicians and nurses who conduct clinical research protocols. This space is necessary to support review of protocols and protect the confidentiality of patient

records and information related to human subjects. NIH is requesting funding for the Building 10 G-Wing design only in FY 2015. The G-Wing is also an enabling project. After the renovation, NIH will be able to use this space as swing space to facilitate the E-Wing renovation. NIH will award the design contract for the E-Wing in FY 2014.

Budget Policy:

The FY 2015 President's Budget request is \$4.090 million.

Repairs and Improvements (R&I) Program: The requested resources will support repairs and improvements to the physical plant, building structures, utility systems, roads, and grounds at all the sites in which NIH has an asset interest. These funds will be used to sustain efficient and effective performance of NIH's real property assets to meet ongoing and projected research requirements and to offset the deterioration and obsolescence caused by age and use. The FY 2015 President's Budget request does not stipulate specific amounts for the Essential Safety and Regulatory or Concept Development Studies programs. Instead, NIH will use R&I funds for any required Concept Development Studies or Essential Safety and Regulatory Compliance Program efforts. NIH has studied the use of Essential Safety and Regulatory and Concept Development Studies line item funding and concluded that we are executing these projects on an ad-hoc basis instead of as part of a larger program plan. We have also concluded that it is more cost effective and efficient to make these repairs in conjunction with larger projects.

Projects for the R&I program are identified using NIH facilities and program staff recommendations, various facilities studies, and by ongoing facilities assessments performed on each building on a three year cycle by a firm experienced in facility assessment methodology. Once NIH has identified potential B&F projects, it ranks the projects using a decision model with input from program officials and Subject Matter Experts (SMEs) to ensure focus on the most critical projects within resource constraints. Final project selections are made by an R&I Board consisting of senior facilities personnel. Facilities infrastructure improvements are necessary to meet shifting research priorities and to meet NIH and HHS goals for improving the condition of NIH buildings. Such efforts include upgrading building systems, extending utility infrastructure, and implementing other capital repairs to the building envelopes and infrastructures to extend the useful life of existing facilities.

This request specifically supports the continued repair and upgrade of deteriorated infrastructure, including steam and chilled water distribution systems, structural repairs to older buildings (which are still being used effectively), upgrade of plumbing systems, repair of elevators, upgrade of HVAC systems, and replacement of deteriorated fan coil units in multiple facilities. This request supports improvements to address evolving research requirements and supports, when needed, certain limited IC renovations.

Budget Policy:

The FY 2015 President's Budget request is \$45.363 million, a decrease of \$54.670 million from the FY 2014 level.

Essential Safety and Regulatory Compliance Program: The Essential Safety and Regulatory Compliance program enables NIH to maintain valuable research capacity and to ensure the safety of NIH facilities and their occupants. The program includes the following activities:

- Fire Protection and Life Safety;
- Elimination of Barriers to Persons with Disabilities;
- Environmental Assessments/Remediation;
- Rehabilitation of Animal Research Facilities;
- Physical Security Improvements; and
- Sustainability.

Fire Protection and Life Safety: This program upgrades fire protection and life safety systems, features, and equipment in NIH buildings and allows for the full protection for all occupants and critical research subjects. In addition, this program's plan is to meet fire safety code requirements pertaining to fire barriers and emergency egress components throughout NIH facilities by upgrading fire doors, fire door hardware, emergency lighting, exit signage, and related fire safety improvements.

Elimination of Barriers to Persons with Disabilities: This program removes existing barriers in and around NIH buildings to comply with the Architectural Barriers Act (ABA) of 1968.

Environmental Assessments/Remediation: This program allows for environmental remediation activities at all government owned NIH sites. The program conducts environmental audits to identify potentially hazardous conditions and, when warranted, remediates conditions that could pose a health and safety threat to NIH employees, visitors, and contractors, or the general public and the environment.

Rehabilitation of Animal Research Facilities: An important factor in the effective use of animal models in biomedical research is high-quality animal care provided in well-built, well-maintained, and well-equipped facilities. This program supports a comprehensive program of repairs and improvements to ensure compliance with stringent Association for the Assessment and Accreditation of Laboratory Animal Care standards.

Physical Security Improvements: Physical security improvements enhance NIH's ability to provide a safe and secure environment for research staff, employees, and visitors. This program enhances the overall security posture and expedites NIH's first responder capabilities for various NIH locations by integrating existing physical security, intruder detection, and surveillance systems using non-proprietary open architecture solutions.

Sustainability: The HHS Sustainable Buildings Plan requires the assessment of all existing facilities for compliance with the Guiding Principles in the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding referenced in Executive Order 13423. As part of our compliance with this Executive Order, NIH strives to build facilities in a sustainable manner, to identify priorities for improvements, and to complete sustainability improvements and recommissioning at all facilities over a prescribed schedule of several years.

Budget Authority by Object Class

(Dollars in Thousands)

OBJECT CLASS	FY 2014 Enacted	FY 2015 President's Budget	FY 2015 +/- FY 2014
Operations & Maintenance of Facilities (25.4)	\$128,663	\$128,663	\$0
Obligations ¹	\$154,927	\$128,663	-\$26,264
Total budget authority by object	\$128,663	\$128,663	\$0
Total obligations by object	\$154,927	\$128,663	-\$26,264

¹ Obligations are net of prior year recoveries.